

HOUSE JOINT MEMORIAL 11

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

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A JOINT MEMORIAL

REQUESTING THAT THE TAXATION AND REVENUE AND ECONOMIC  
DEVELOPMENT DEPARTMENTS CONVENE A TASK FORCE TO STUDY THE  
EFFECTIVENESS OF THE STATE'S ECONOMIC DEVELOPMENT INCENTIVES IN  
ACHIEVING THEIR OBJECTIVES AND OUTCOMES.

WHEREAS, the legislature finds that it is difficult to  
evaluate whether the state's forty-seven state-enacted economic  
development incentives have been successful due to the lack of  
readily accessible information regarding public investments,  
expenditures and outcomes; and

WHEREAS, other states have economic development budgets  
that include a reporting requirement on what the economic  
development incentives have accomplished, and New Mexico should  
also develop reliable methods of measuring the effectiveness of  
its incentives; and

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1           WHEREAS, it is the intent of the legislature to stimulate  
2 economic development and raise the standard of living of New  
3 Mexico families by reporting and analyzing state and local  
4 economic development expenditures and incentives;

5           NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE  
6 STATE OF NEW MEXICO that the taxation and revenue department in  
7 collaboration with the economic development department be  
8 requested to convene a task force to study methods of  
9 analyzing, evaluating, measuring and estimating the  
10 effectiveness of economic development incentives in meeting  
11 their stated objectives and intended outcomes; and

12           BE IT FURTHER RESOLVED that the task force include  
13 representatives of the taxation and revenue department, the  
14 economic development department, the department of finance and  
15 administration, the labor department, the investment office,  
16 the legislative finance committee, the New Mexico municipal  
17 league, the New Mexico association of counties and a private  
18 sector economic development expert; and

19           BE IT FURTHER RESOLVED that the task force produce a  
20 report that includes a survey of similar programs in other  
21 states and detailed recommendations as to:

22           A. the definition of the term "tax incentive" and  
23 the shared characteristics of tax policies and programs subject  
24 to reporting requirements;

25           B. the design of reporting mechanisms to collect

1 information and data from businesses that take advantage of  
2 state or local tax incentives;

3 C. information and data that should be obtained  
4 from businesses, using the reporting mechanisms, including  
5 industry type; capital investment; number of full-time and  
6 part-time jobs created; average wage of jobs created; the  
7 availability and cost of health insurance, paid leave and  
8 retirement benefits to employees in the newly created jobs; and  
9 the participation rate in benefit programs by employees in the  
10 newly created jobs;

11 D. methods through which information and data  
12 should be collected;

13 E. methods for protecting the confidentiality and  
14 proprietary nature of data and information collected;

15 F. methods for validating data and penalties for  
16 misreporting or failure to report required information and  
17 data;

18 G. methods for analyzing the information and data,  
19 including models and economic multipliers, to estimate economic  
20 impacts of economic development policies and incentives;

21 H. timing, frequency and dissemination of reports  
22 developed using collected information and data;

23 I. methods for sharing information and data  
24 collection, analysis and dissemination responsibilities among  
25 state agencies; and

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J. design of legislation and estimated appropriation required to fully implement the recommendations of the task force; and

BE IT FURTHER RESOLVED that the task force report its findings to the governor, legislative finance committee, revenue stabilization and tax policy committee and any additional appropriate legislative committee charged with studying economic development before November 30, 2005; and

BE IT FURTHER RESOLVED that copies of this memorial be transmitted to the secretaries of economic development and taxation and revenue.